

# Commercial Banking's Secret Sixth Performance Rating

**M**ore evidence has emerged of the secretive way in which top management has been manipulating the application of Bank-wide Pay Policy, in order to award Commercial / Business Banking Staff lower salary increases than they are entitled to.

**LTU has discovered from feedback provided by members working at senior levels in the business unit that, during this year's Pay Review, the 'Met' rating category was split surreptitiously into two: ordinary 'Met' and 'Strong Met'.**

**The result has been that, for pay purposes, 'Met' has been treated as 'Not Met' ... with many staff restricted to little if any pay increase this year as a consequence.**

Put into context, anyone who this year received less than the current level of Inflation (RPI) of 4.8%, suffered a real cut in the value of their pay!!!

## Corruption Of The Performance System

This corruption of the Performance System operating within Commercial / Business Banking has again - like the withholding of over £1.6 million from the Pay Pot - been without either prior discussion with LTU or notification to staff.

**It means that staff rated 'Met', who have performed well and met all the objectives this year - and so had every reason to expect a reasonable pay increase even if their salary was within the 'High Performance Zone' - have typically been given unsatisfactory pay**

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**increases. Also it appears that staff rated as 'Exceeded' also received lower pay increases than they should have ... as if they had been only rated as 'Met'.**

So management misled LTU when, at a meeting last month, it shared details on ratings distribution whilst 'forgetting' to mention that it was applying a secret sixth rating category where staff had been rated as 'Met'.

## Staff Paid Short Upon Promotion

It has also emerged from members' feedback that many Commercial / Business Banking Staff have not been receiving proper pay increases when being promoted.

**Staff should typically receive a 5% pay increase upon promotion. Yet our feedback has shown that many staff entitled to this increase have received as little as half the amount.**

# Secret Policies Exposed

In our previous two Commercial Banking Newsletters, LTU has exposed how Commercial Banking has not been spending its full Pay Pot allocation on salary increases.

David Postings (Managing Director) has himself admitted this has been the case for the last three years; with the business unit spending far less on pay rises than the Pay Pot the Bank has been publicising.

**This year, for example, from a Pay Pot worth 3.8%, Commercial / Business Banking has confessed to using only 3.1% on salary increases. Some of the money has been siphoned off for the payment of one-off, non-pensionable bonuses instead.**

**This approach is completely contrary to official Bank policy and amounts to a deception on both the Union and Staff who, until now, naturally had assumed that when the Bank publicised its Pay Pot, the full amount would be used on funding pay increases.**

## Performance Ratings Manipulated

The latest information unveiled by LTU shows that the Pay and Performance System has been systematically manipulated, through the introduction of a sixth performance rating - 'Strong Met' - within Commercial /Business Banking.

**Staff judged to have 'only' ordinarily met their Balanced Scorecard objectives have, in pay terms, effectively been treated as being rated as 'Not Met'; often at best receiving only nominal pay increases. And those staff achieving either 'Exceeded' or 'Outstanding' ratings would appear to have received pay increases that would ordinarily be awarded to the rating below!**

Top management appears to have hoped that staff would be placated through receiving higher bonuses; even though these are funded by diverting funds from pensionable basic salaries and the fact that these are supposed to recognise achievement of targets rather than whole job performance.

## Promotion Policy Abused

The Bank's pay policy for the awarding of pay increases to staff who have been promoted is clear:

*"On movement to another band, as a minimum, you would normally expect your salary to be increased by 5% or taken to the primary zone of the new role (whichever is the greater)".*

However, evidence has emerged from members' feedback that this is routinely not happening and that staff are typically awarded increases half this amount. Presumably top management believes staff should be grateful enough for the increased recognition a higher grade provides without needing to be paid much more for accepting additional responsibilities!

This is an abuse of the goodwill and commitment of staff.

## Excessive Working Hours

**It is common knowledge that staff across Commercial/Business Banking routinely work considerable amounts of unpaid overtime.** LTU believes this may average over 10 hours a week and, for large numbers of staff, will be greater than the 48 hour limit set by the Working Time Regulations.

Once again, it is a disgrace that staff struggling to work under such pressure should have their pay held down to well below the rate of inflation.

## Commercial's Pay System 'Rotten'

The combination of surreptitiously withholding Pay Pot allocation from salary increases, manipulating Performance Ratings and cheating staff who are promoted from receiving appropriate pay increases shows one thing very clearly ... that the pay system operating within Commercial is 'rotten'.

Never before has LTU known an area to mislead the Union and staff so extensively over how pay was being managed.

It is essential, therefore, that top management agree to comply with Bank-wide policy and compensate all staff where it has acted improperly.

# Challenging Your Pay Award

Whilst LTU will be challenging how the pay system has operated within Commercial/Business Banking over recent years - with the issue likely to be referred to ACAS - staff should also consider lodging appeals against their personal pay awards.

## Obtaining A Pay Rationale

The first stage for staff considering appeals against this year's pay increase is to insist upon receiving a Pay Rationale to which they are entitled.

**This should explain clearly the factors taken into account in determining what pay increase staff received and reasons why the amount awarded deviated from what would be paid under normal Bank policy i.e. if the full Pay Pot was spent and the business unit had not been devaluing performance ratings by adding a secret sixth rating category.**

It therefore provides an excellent opportunity for staff to 'flush out' how their pay has been mismanaged; simply by requesting a written pay rationale.

## Key Considerations

Though there may be circumstances where pay awards might be restricted - such as if a member of staff is subject to Disciplinary Proceedings - under official Bank-wide policy, the basis for determining the amount of pay award you should have received is summarised below:

- *The Bank's policy is that staff in the Market-Plus Zone who were rated as 'Met' are entitled to have received a pay increase equivalent to at least the Market Movement for their Band (see table).*
- *Given the above policy entitlement, LTU would expect staff rated as 'Met' who are paid in the 'Market Zone' to typically receive a higher increase; and those rated as 'Exceeded' or 'Outstanding' even greater increases.*

### Market Movement

Band 8	2.94% (ave)
Band 7	3.55% (ave)
Band 6	2.7%
Band 5	2.4% (Lower); 1.4% (Upper)
Band 4	3.3% (Lower); 2.5% (Upper)
Band 3	3.2% (Lower); 4.5% (Upper)
Band 2	3.1% (Lower); 4.0% (Upper)

- *If your performance has been rated as being at the same level as your Pay Zone (i.e. 'met' in Market Zone), you should typically receive an increase at around the market movement for your Band.*
- *An assessment of your 'contribution' should take into account your ongoing performance, skills, competencies and behaviours.*
- *If your salary is already positioned above the Market Plus Zone and you were rated 'Exceptional', you should have received a 2% increase.*

The amount of bonus that staff receive should certainly not be used as an excuse to limit or omit altogether paying a pensionable salary increase.

## Requesting A Pay Rationale - What To Ask

All staff are entitled to ask for a pay rationale in which they are provided with a written explanation for the basis upon which the amount of pay award they received was determined, should they be considering appealing against this year's pay increase.

To request a written pay rationale, LTU proposes members put their request in writing including the following form of words:

*"Dear (insert line managers name)*

*Please provide me with the pay rationale used to decide my pay award for 2007. This should include reasons for the amount awarded. I should also like your confirmation that in arriving at your decision the Bank's pay policy was adhered to in full.*

*Yours etc."*

## LTU Support

Once you have received your written pay rationale, you should get in touch with LTU's Advice Team on 01234 262868, who will advise you on whether you have strong grounds for taking out a Pay Grievance against the Bank in order to secure a higher salary increase for this year.

To join call 01234 262868... today!

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.co.uk

# The Only Acceptable Solution

LTU believes there can be only one acceptable solution to this shoddy state of affairs, where the Union and Staff have been misled over how Pay and Performance has been managed within Commercial / Business Banking.

This is that:

- **The full missing Pay Pot that has been denied staff over the last three years must be paid to all staff as a single across-the-board payment.**

We know that this shortfall - which has arisen through top management withholding part of its Pay Pot allocation for each of the last three years - is worth at least 1.7% of salaries. However, we will be pressing top management to confirm the precise shortfall in case it is greater.

- **The pay rises awarded to staff at promotion are reviewed for the last three years. Where the increases have been below 5% - and at the point of promotion the full increase would not have pushed salaries into the High Performance Zone - all increases should be backdated.**

It is clear from members' feedback that it is only through coming clean with staff and fully remedying where it has acted improperly, that top management in Commercial / Business Banking will be able to restore its credibility and the confidence of its staff.

Otherwise it should not be surprised if staff vent the strength of their feelings through the feedback they provide in the forthcoming Employee Engagement and OBV Surveys.

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## LTU Begins Disputes Procedure

As the first step of LTU's campaign to ensure Commercial / Business Banking Staff are treated fairly, LTU has triggered the Union-Bank Disputes Procedure.

This kick starts a formal programme of meetings focussed on attempting to resolve the source of difference between the Bank and Union. If satisfactory progress cannot be made, either party can refer the issue to ACAS.

**In the meantime, LTU would welcome any feedback from members concerning their own views on how top management have behaved and their own experiences in relation to pay and performance over recent years.**

Members can email their comments to Steve.Tatlow@ltu.co.uk or else post or fax the attached comments form to me at the Union's Bedford Office.

**STEVE TATLOW**  
Assistant General Secretary

**NEXT COMMERCIAL BANKING NEWSLETTER ..... READ ANONYMOUS FEEDBACK PROVIDED BY MEMBERS ON THEIR ATTITUDE TO HOW TOP COMMERCIAL MANAGEMENT HAS BEEN HANDLING PAY.**

To join call 01234 262868... today!